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VIRGINIA COLLEGE BUILDING AUTHORITY BOARD OF COMMISSIONERS MEETING

May 22, 2017, 9:00 a.m.

Treasury Board Conference Room
James Monroe Building
101 North 14th Street, 3rd Floor
Richmond, Virginia

Members Present: McLain T. O’Ferrall, Jr.
Charles Evans Poston, Jr.
Peter A. Blake
Manju S. Ganeriwala
Daniel S. Timberlake
David A. Von Moll

Members Absent: Lane B. Ramsey, Chairman
John G. Dane, Vice-Chairman
Katharine Bond
Dennis C. LaGanza
Charles Mann

Others Present:	Donald R. Ferguson, Esq.	Attorney General’s Office
	George Scruggs, Jr.	Kutak Rock LLP
	Janet A. Aylor	Department of the Treasury
	Leslie M. English	Department of the Treasury
	Sherwanda R. Cawthorn	Department of the Treasury
	Bradley L. Jones	Department of the Treasury
	James D. Mahone	Department of the Treasury

Call to Order

Ms. Ganeriwala called the meeting to order at 9:06 a.m. After welcoming visitors, she asked if there were any members of the public present that wished to express comments to the Board. There were no public comments.

Ms. Ganeriwala asked if there were any comments or questions about the minutes of the October 14, 2016 Virginia College Building Authority meeting. Hearing none, she requested a motion for approval of the minutes. Mr. Von Moll made the motion; Mr. Poston seconded the motion, and the motion was unanimously adopted by all members present and voting.

Consideration of the Issuance of Virginia College Building Authority Educational Facilities Revenue and Revenue Refunding Bonds (21st Century College and Equipment Programs) Series 2017A and Series 2017B

Ms. English reviewed the Preliminary Financing Summary for the proposed issuance of \$238,240,000 of Virginia College Building Authority Educational Facilities Revenue and Revenue Refunding (21st Century College and Equipment Programs) Bonds, Series 2017A (new money) and

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Series 2017B (refunding). Ms. English indicated that as of May 19, 2017, the estimated aggregate True Interest Cost (TIC) was 1.91%, 1.57% for the new money and 2.01% for the refunding bonds with a present value savings of \$12.1 million or 6.9% of the refunded par.

Mr. O’Ferrall asked what was the purpose of the bank counsel fee. Ms. Aylor explained that the bank counsel fee relates to bank counsel for the Trustee.

Mr. Scruggs from Kutak Rock, bond counsel to the Authority, then reviewed the Resolution. Following this review, Ms. Ganeriwala then asked if there were any other questions or comments. Hearing none, she asked if any member wanting to make a motion to approve the resolution authorizing the issuance of the bonds.

Mr. Timberlake moved approval of the motion of the Virginia College Building Authority authorizing the issuance of and sale of its Educational Facilities Revenue and Revenue Refunding Bonds (21st Century College and Equipment Programs) Series 2017A and Series 2017B. Mr. Von Moll seconded, and the motion was unanimously adopted by all members present and voting.

Consideration of the Issuance of Virginia College Building Authority Educational Facilities Revenue and Federally Taxable Revenue Bonds (21st Century College and Equipment Programs) Series 2017C and Series 2017D

Ms. English reviewed the Preliminary Financing Summary for the proposed issuance of \$569,955,000 of Virginia College Building Authority Educational Facilities Revenue and Federally Taxable Revenue (21st Century College and Equipment Programs) Bonds, Series 2017C (tax-exempt-new money) and Series 2017D (taxable-new money). Ms. English indicated that as of May 19, 2017, the estimated aggregate True Interest Cost (TIC) was 3.21%, 3.23% for the tax-exempt new money and 2.91% for the taxable new money.

Mr. O’Ferrall asked if staff considered acquiring only two (instead of the current three) ratings. Ms. Aylor informed the Authority that staff has contemplated only acquiring two ratings but agreed that acquiring only two ratings may send unintended signals to the market, especially during times where there has been a change in the ratings.

Ms. Ganeriwala asked why the Costs of Issuance (COI) for the \$569,955,000 Series 2017C and Series 2017D were less than the COI for the \$238,240,000 Series 2017A and Series 2017B. Ms. Aylor explained that bond counsel and financial advisor incurred costs related to the Virginia College Building Authority Variable Rate Educational Facilities Revenue Bonds, Series 2006B and Series 2006C related to work performed in evaluating options (e.g. direct purchase, private placement, public offering) to convert the Series 2006B and Series 2006C variable rate bonds to a fixed rate. Ms. Aylor noted that the Series 2006B and Series 2006C bonds will be included in the Series 2017B (refunding) and those costs incurred by bond counsel and financial advisor have been incorporated in the Series 2017B COI.

Mr. Scruggs from Kutak Rock, bond counsel to the Authority, then reviewed the Resolution. Following this review, Ms. Ganeriwala then asked if there were any other questions or comments. Hearing none, she asked if any member wanting to make a motion to approve the resolution authorizing the issuance of the bonds.

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Mr. Blake moved approval of the motion of the Virginia College Building Authority authorizing the issuance of and sale of its Educational Facilities Revenue and Federally Taxable Revenue Bonds (21st Century College and Equipment Programs) Series 2017C and Series 2017D. Mr. Poston seconded, and the motion was unanimously adopted by all members present and voting.

Consideration of the Motion to Approve One Year Extension of Contracts for Financial Advisory Service for Public Resources Advisory Group and Acacia Financial Group

Ms. English reviewed the motion to approve one-year extension of contracts for Financial Advisory Services for Public Resources Advisory Group and Acacia Financial Group; Ms. English explained that the current contract allowed for the final one-year renewal period to July 31, 2018. Ms. English informed the Board the new Financial Advisory contracts will be sought in early 2018 via a Request for Proposal.

Ms. Ganeriwala then asked if there were any other questions or comments. Hearing none, she asked if any member wanting to make a motion to approve the extension. Mr. O’Ferrall made the motion to approve the extension of the current contracts for financial advisor. Mr. Timberlake seconded the motion, and the motion was unanimously adopted by all members present and voting.

Other Business and Adjournment

Ms. Aylor reviewed the graph of the Comparison of True Interest Cost (TIC), prepared by Public Resources Advisory Group (Exhibit A) which illustrates how the relationship between a direct purchase and public offering changed from October 2016 to May 2017 on the Virginia College Building Authority Variable Rate Educational Facilities Revenue Bonds, Series 2006B and Series 2006C. A discussion ensued.

Ms. Ganeriwala then asked if there were any additional comments or questions from Board members. Hearing none, Ms. Ganeriwala requested a motion from Board members for dismissal. Mr. Blake made a motion for dismissal of the meeting. Mr. Von Moll seconded the motion, and the motion was unanimously adopted.

Having no other business to be brought before the Board, the meeting was adjourned at 9.30 a.m.

Adjournment

Respectfully submitted,
Leslie M. English
Assistant Secretary

/s/ Leslie M. English

Exhibits may be obtained by contacting the Department of the Treasury at (804) 225-2142.